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WRITTEN EX PARTE

May 7, 2002

Ms Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: CC Docket No. 02-35

Dear Ms Dortch:

At the request of the Common Carrier Bureau staff, BellSouth submits this letter to respond to issues raised in a written ex parte filed by MCI-WorldCom (MCI/WC) on April 29, 2002.

In Georgia, the scope of the local calling area for BellSouth retail customers taking flat-rate local service is smaller than the local calling area for those taking measured-rate local service. BellSouth used the measured rate local calling area as the basis for providing local switching as a part of UNE-P. This has meant that unless a CLEC ordering UNE-P has selected LATA-wide termination of its traffic over BellSouth facilities, BellSouth will carry as local all calls from that CLECs' customers terminating within the measured rate local calling area for that customer's location. For customers with BellSouth flat rate service formerly, there will thus be a very small number of calls that were intraLATA toll with flat rate service that are now local calls under UNE-P. Now that it has recognized this issue, BellSouth is taking the steps required to permit a CLEC to select the BellSouth retail flat-rate calling area as that CLEC's local calling area for UNE-P.

Change Control Process

The local calling scope change for Georgia will be implemented in Release 10.6 in July 2002 in conjunction with a regulatory mandated calling scope change for Mississippi. These calling scope changes were bundled into one request for change control purposes because they necessitated changes to the same Local Exchange

Service Order Generator (LESOG) Universal Service Order Code (USOC) table. BellSouth did not "bump" any Type 4 or 5 requests scheduled for inclusion in Release 10.6 to make room for these two requests. For more details please see the Attachment to this letter.

Impact on CLECs and MCI/WC

Of the 30 CLECs currently ordering UNE-Ps in Georgia, 17 have LATA-wide termination of UNE-P traffic via BellSouth. These 17 CLECs have about 45% of the lines served by UNE-P in-service in Georgia. LATA-wide termination of UNE-P traffic significantly reduces the impact to the CLEC of the intraLATA/local calling scope change.

BellSouth has done further analysis for MCI/WC specifically, which accounts for 41% of the UNE-P lines in Georgia and does not subscribe to LATA-wide termination, to estimate the impact of the intraLATA/local calling scope change. BellSouth has determined the impact to MCI/WC local minutes of use (MOUs), *i.e.*, the increase in the percentage of MOUs classified as local rather than intraLATA toll, to be approximately .15%. BellSouth calculated this figure based on usage data for BellSouth retail end user lines for February 2002 for each central office (CO) in Georgia that would be affected by the same intraLATA/local calling scope change if all those end user lines switched from flat rate service to measured rate service. From these data, BellSouth calculated what the increase in local minutes would be per central office from a slight expansion of a retail flat rate end user's local calling area to the corresponding measured rate local calling area for that customer. That average was then multiplied by the number of MCI/WC UNE-P lines in each of the COs for which it had a UNE-P presence in March 2002 to produce the estimate of how enlarging the local calling area affected the categorization of MCI/WC UNE-P traffic in Georgia. We then reduced that estimate to reflect the fact that only flat-rate retail customers converting to UNE-P are affected, since MCI/WC orders for UNE-P encompass end users with either flat rate or measured rate service. The approximately 9% of the retail measured rate customers that convert to UNE-P are not affected by the change. These data were then divided by MCI/WC's March 2002 local UNE usage. The resulting number, .15%, is an estimate of the percent of minutes of traffic that originated and terminated within the Georgia LATAs that was routed over BellSouth's local network rather than being routed to MCI/WC's point of presence (POP).

BellSouth's Response to the Lichtenberg April 17 Email

The Attachment to this letter responds to each bullet point of the e-mail that Sherry Lichtenberg of MCI/WC sent to Greg Follensbee of BellSouth on April 17, 2002, which was attached to MCI/WC's April 29, 2002 *ex parte* filed in this proceeding.

Line Loss Issue

In its April 29, 2002 filing MCI/WC discussed an issue with the BellSouth line loss report posted on the Web GUI. WorldCom goes on to describe the results of an internal and unilateral "audit" it performed covering the period from March 25, 2002 to April 15, 2002.

When MCI/WC initially raised this issue with BellSouth, BellSouth investigated and found that on March 24, 2002, as a result of the implementation of single C capability, the coding resulted in certain new migrations to MCI/WC being incorrectly posted to the website line loss reports. The NDM reports used by MCI/WC were not impacted. This issue was resolved on April 15, 2002. In early April, BellSouth informed MCI/WC of this issue, and also informed MCI/WC that the issue would be corrected on April 15, 2002. The issue existed from March 24, 2002 through April 15, 2002, which time period coincides almost exactly with the dates of the audit provided to the FCC on April 29, 2002.

In accordance with Section 1.1206, I am filing two copies of this notice and the accompanying attachment and requesting that you please place them in the record of the proceeding identified above. Thank you.

Sincerely,



Kathleen B. Levitz

Attachment

cc: Michelle Carey
Renee Crittenden
Ian Dillner
Aaron Goldberger
Dennis Johnson
Daniel Shiman
Susan Pié
James Davis-Smith

RESPONSE TO APRIL 17, 2002 E-MAIL FROM MCIWORLDCOM

MCIWORLDCOM STATEMENT	BELLSOUTH RESPONSE
Explanation	
<p>1. BellSouth offers its retail customers several calling plans. These are measured service, flat rate service, and "extended local" service, as noted in your local tariffs. Customers with measured and flat rate service can select their intraLATA carrier. Customers with "extended local service" pay an additional flat rate for this service and have their intraLATA (local toll) calls carried by BellSouth.</p>	<p>BellSouth does provide flat rate service (<i>i.e.</i>, 1FR/1FB, Complete Choice), measured service (<i>i.e.</i>, 1MR/1MB) and LATA wide local calling (Area Plus, Complete Choice with Area Plus). It appears that BellSouth's LATA wide local calling area is what MCI/WC is describing as "extended local" service. In all cases an end user can Local/Toll PIC (LPIC) any carrier it chooses. If a retail end user of BellSouth purchasing Area Plus LPICs to other than BellSouth, it will pay for toll charges on top of the LATA wide flat rate service it has purchased.</p> <p>In Georgia, the retail local calling areas for flat rate service and measured rate service in Georgia are not the same. With measured rate service, a retail end user of BellSouth can place more local calls by dialing either 7 or 10 digits.</p>
<p>2. When a retail customer with measured service or flat rate service that does not include the "extended local" plan migrates to UNE-P, their intraLATA (local toll) calls will be carried by the carrier requested on the local service request (<i>e.g.</i>, MCI, AT&T, etc.). The calls will be routed to the carrier's POP and will proceed on the carrier's network. Call records will not appear on the daily usage feed, since these calls will not traverse the BellSouth network.</p>	<p>When a retail customer with measured rate or flat rate service only switches to a CLEC using UNE-P, the carrier requested on the LSR, unless the carrier is BellSouth Telecommunications, will carry the intraLATA toll calls. However, because the flat rate and measured rate local calling areas are different, and because BellSouth used the measured rate local calling area as the basis for providing local switching as a part of UNE-P, there will be a very small number of calls that were intraLATA toll with flat rate service that are now local calls under UNE-P. Now that BellSouth has recognized this situation, it is taking steps required to change it.</p> <p>For the small numbers of calls that fall into this situation, the UNE-P provider will get call records on the Optional Daily Usage File, and not the Access Daily Usage File.</p>
<p>3. When a retail customer with "extended local" calling migrates to UNE-P, that customer continues to have the "extended local plan," regardless of the intraLATA PIC placed on the local</p>	<p>Once the end user is served by a CLEC purchasing UNE-P, BellSouth no longer provides its retail "extended local" calling/LATA-wide calling plan to the end user. The CLEC,</p>

<p>service request submitted by the UNE-P carrier. These customers continue to have their calls carried on the BellSouth network. The UNE-P carrier receives these call records on the daily usage feed. The UNE-P carrier is charged for these calls as they would be for local calls within the measured rate service area.</p>	<p>depending on what service the end user has purchased from the CLEC, will provide the local calling area to the end user. If the CLEC, in conjunction with the end user, wants to provide a similar service to BellSouth's retail "extended local" calling plan/LATA-wide calling plan; it may do so, either by the end user's selecting the LPIC of an IXC affiliated with the CLEC or by the end user's selecting BellSouth's LPIC. If the end user LPICs to any other intraLATA long distance provider, the call will be routed the same as described in the item 2 above. If the end user LPICs to BellSouth, then the CLEC will receive ODUF call detail records.</p>
<p>4. Due to the differences in calling areas for the local and extended local calling areas, BellSouth developed its UNE-P local switching product to mirror the calling area the customer had previously, similar to the way in which resale is provisioned. This design would impact any carrier that had its own intraLATA network.</p>	<p>It was not the difference in local and extended local calling that caused this isolated problem for Georgia. It was the difference in the flat rate and measured rate local calling areas in Georgia that resulted in this issue. BellSouth utilized the measured rate local calling areas as the basis for developing the local calling area for local switching. In all other states, absent a change ordered by a state commission on the local calling areas for BellSouth's flat rate service, the flat rate and measured rate local calling areas are the same. In the case of Georgia, we were ordered to change only the measured rate calling area when the GA PSC ordered new mandatory expanded local calling areas as a result of the 1995 GA statute. At that time we did not make a similar change to the flat-rate local calling area. Since we used the measured rate local calling area as the basis for developing the local call area for local switching, a difference in local calling areas currently exists with the measured plan providing a slightly larger 10 digit dialing scope than the flat-rate plan. Calls terminating outside of the measured dialing scope but within the LATA are still routed to the end user's LPIC. Calls terminating within the measured rate local calling area that are outside the flat rate local calling area for now are not routed to the end user's LPIC, but instead are routed on the BellSouth network. BellSouth is in the process of changing its OSS to permit a CLEC to order UNE-P for which the local calling area will correspond to the flat-rate local calling area.</p>

5. BellSouth believes that this issue impacts only Georgia.	BellSouth has researched the specific calling areas of flat rate and measured rate service and has determined that this issue only exists in the state of GA.
6. BellSouth intends to fix this problem in June or July of this year to allow UNE-P CLECs to order either local or "extended local" switching for their customers. This will allow intraLATA (local toll) calls to follow the customer's PIC choice. This fix will be handled through the normal change management process.	BellSouth intends to fix this problem with release 10.6 scheduled for release in July. Again, intraLATA calls currently terminating outside of the measured dialing scope but within the LATA are routed by the end user's LPIC. This issue does not affect all intraLATA calls.
Action Items	
1. BellSouth will review the call records provided by MCI to numerous BellSouth employees over the past year in order to explain exactly why each example was routed on the BellSouth network rather than carried on the network chosen by the customer for intraLATA calls.	BellSouth has committed to the review. BellSouth is still performing that review and anticipates completing it later this month.
2. BellSouth will provide the description of this routing provided to CLECs, including the URL and page references from the BellSouth CLEC handbook and the various ordering and programming guides.	Routing of UNE-P calls is explained in the UNE-P Call Flows within the UNE-P web guide located at http://www.interconnection.bellsouth.com/products/html/unep.html . Go to page 23 and select FLOWSPPT.ZIP to access the UNE-P Call Flows.
3. BellSouth will provide the Change Request number, release documentation, and implementation schedule for the change to allow CLECs to order UNE-P without the extended calling area. You will provide a detailed explanation of what is being changed, a date and release number for the change, and the [date] on which this change will be available for testing in the CAVE test environment. We would also like to know where this change appears on the change management prioritization list.	<p>CR0756 is the Change Request (CR) for UNE-P Call Scope Changes, which is scheduled for R 10.6. The Change Request was posted to the CCP website on 4/26/02 and also reflected in the CCP Daily Activity Log the same day. This feature will have the same CAVE test window as the other Release 10.6 features.</p> <p>In the April 11, 2002 Process Improvement Meeting, the CLECs requested a change to the process where BellSouth and CLECs reach mutual agreement on whether to implement Type 2 mandates without a specific date into a particular release. This item was balloted for CLEC approval and became effective 5/1/02. Since CR0756 was posted on 4/26/02 it followed the process in place at the time of posting; that is, it did not require mutual consent.</p>

	<p>On 5/2/02 during the CCP Improvement Workshop, BellSouth advised the CLECs that it could not agree to mutual consent because a mandate by a commission is directed to BellSouth; not the CLECs. BellSouth must be able to meet its commitment to regulatory authorities. BellSouth agreed to provide proposed language to clarify that adequate notification by CLECs is necessary but that BST must be able to meet its regulatory commitments.</p> <p>The implementation of this feature does not jeopardize or remove any features already scheduled for Release 10.6. In fact, on April 30, 2002, BST submitted CR0541, UCL-ND to CLECs requesting their feedback on adding it to R10.6 and R11.0 for additional functionality for the CLECs.</p> <p>Other than Flow Through Features, Type 2 Regulatory Changes are not prioritized. CR0756 is not a flow through feature.</p>
4. MCI is reviewing its Florida call records and will send any intraLATA records that appear on the daily usage feed to you for investigation.	BellSouth received those records on April 23 rd and is still in the process of reviewing such records.
5. BellSouth will credit MCI for both the revenue lost due to this routing issue and for the wholesale charges incurred for routing calls PIC'd to MCI or another intraLATA carrier over the BellSouth network.	BellSouth will make a proposal to settle this issue with MCIWorldCom once the parties finish discussing the open issues. The parties are in active negotiations.
Questions & Answers	
If a BellSouth retail customer with extended local calling wants to migrate to MCI, drop the extended plan, and select MCI as his intraLATA carrier, what would he have to do? Would he need to call BellSouth to change from "extended local" to measured service and then migrate once that transaction was completed?	The existing CLEC ordering guides provide all necessary information on what a CLEC has to do to place an order for UNE-P. As explained above, absent the end user LPIC'ing BellSouth for intraLATA, 1+ dialed calls will be sent to the LPIC chosen by the end user. The end user does not need to communicate anything to BellSouth.
Where does the customer's calling plan (measured, flat rate, extended local) appear on the customer's CSR? Is this part of the information provided on the parsed CSR?	The customer's calling plan is embedded in the customer's USOC on the CSR. The USOC is parsed.